

looking ahead

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A U.S.-Latin American Problem:

Latin American Trade in the 1960s

by Louis O. Delwart

Research Director,
Interamerican Research Committee

We are entering today a period of careful and sympathetic reappraisal of our relations with Latin America. Fortunately, this is taking place at a time when there has finally developed a broad consensus of informed opinion on the proposition that rising levels of per capita incomes in Latin America will do much to alleviate tensions in the area and to preserve the political integrity of the Hemisphere.

The new attitude has been dramatized by President Kennedy's Ten Year Plan for the Americas, a broad-gauged cooperative venture in economic development. In particular, the program's emphasis on economic reform, and long-range U. S. financial assistance, as well as its sympathetic approach to the perplexing problem of more stable raw materials prices, are bound to affect beneficially, over the years, the trade position of many Latin American countries. It is only fair to say that without a program of this nature most of the Latin American Republics would be faced, in short order, with serious balance-of-payments difficulties and stunted growth.

A healthy expansion of Latin America's export sector will be a crucial factor in the area's economic betterment. The peculiar importance of the export sector derives from the need of Latin American countries to import massive quantities of capital goods for their economic development. At present, at least 40 percent of all capital goods used in Latin America must be imported from abroad, principally from the United States, and although a number of Latin American countries are gradually developing their investment goods industries, crucial quantities of equipment and raw materials for industry will continue to have to be imported for many years. Insufficient development of the export sector in the 1960s could therefore create insurmountable exchange bottlenecks in the realization of the best designed development programs. This would increase the need for remedial action by the exporting country, the United States, and by the international lending agencies.

This article is concerned with the future of Latin America's exports to the United States during the Sixties; its purpose is to show: a) that the present outlook for Latin American exports growth is very discouraging, at least for the early part of the decade; b) that United States import policy toward the area can be of substantial assistance in alleviating future payments crises.

The U.S. and the World Market

• "America's competitive position in the world market is currently handicapped by the lower costs of other nations in a significant list of American products. In aiding and stimulating the economic developments of these countries, both advanced and underdeveloped, this nation implicitly accepted the burden of adjusting to a new pattern of comparative national advantage. To survive in a free market we will have to adjust to these developments. But too little has been done to shift employment to the higher capital and material consuming processes, products and industries in which we enjoy international comparative advantages.

"Neither the exponents of liberal programs of foreign trade or aid, nor the government, undertook to forewarn management and labor of the size of the new competitive challenge. . . . Thrown precipitously into this era of intense international and domestic competition with foreign producers, American companies are pushing to reorganize production, merchandising and products, before it becomes fatal. Some have moved to other countries to take advantage of their lower costs. The structural dislocations are real and often serious and cannot be brushed aside. The ultimate answer is to be found in the advancement of technology, product and productivity."

Excerpt from "Is the U.S. the Model for World Labor and Industrial Relations?" by Solomon Barkin; Labor Law Journal, December 1960; copyright 1960 Commerce Clearing House, Inc.



The Discouraging Export Record of the Postwar Period

For many years, the export situation of Latin America appeared to be excellent, and consequently little attention was devoted to it.

Between 1946 and 1958, the value of Latin American exports to the United States increased 100 percent, making possible the importation of an expanding volume of U.S. and other foreign equipment, raw materials, and intermediate goods which played a strategic role in the region's postwar industrialization and development.

On the surface, therefore, the export situation of Latin American countries appeared to be very favorable. Unfortunately, it was fraught with danger. Taking exports to the United States alone, the growth of exports receipts in the postwar period was exclusively the result of a more than 100 percent rise in prices. The physical volume of exports to the United States did not increase at all. In fact, by 1957 and 1958 it was slightly lower than it had been in 1946.

From 1946 to 1950 the physical volume of Latin American exports to the United States actually declined by 12 percent. This decline, however, represented largely a shift of U.S. demand back to a number of traditional Eastern Hemisphere suppliers as was to be expected after the rapid expansion of Latin American exports during World War II.

More important, the behavior of Latin American exports in the 1950s suggests that there may be serious difficulties involved in future expansion. During the 1950s the physical volume increased slowly, hardly more than 1 percent a year, and this slowness cannot be traced so easily to nonrecurrent factors. It was only because of a 15 percent rise in export prices that the receipts increased by 24 percent.

Prices reached a peak in 1954; since then, and in particular since 1956, slightly weaker prices and somewhat higher volumes have added up to a virtually stagnant level of dollar receipts. As a steadily growing population and higher Latin American incomes have created increasing pressures for larger imports, this situation has caused numerous instances of foreign exchange difficulties and has finally forced the adoption of strict stabilization programs by a number of Latin American countries. It has already contributed to a slowdown in the rate of growth of the Latin American economy as a whole—from 5.1 percent a year during the 1944-45 period down to 3.3 percent a year between 1955 and 1958. Since then exports have ceased to grow and have forced a curtailment of imports and a domestic slowdown in economic expansion.

Structural Changes in U.S. Imports from Latin America

The virtual stagnation in the over-all volume of Latin American exports to the United States in recent years conceals a wide diversity of behavior among individual

commodity groups, some of which have exhibited dynamic growth trends.

Broadly speaking, Latin American exports of fuel and minerals have shown high rates of growth, exports of foodstuffs show little growth, and textile fiber exports have suffered a considerable decline.

Rising Latin American exports of minerals to the United States reflect primarily the increased dependence of the United States on lower-cost foreign ores because of depletion in the domestic supplies, together with the growth of manufacturing activity in the United States. Latin American exports of foodstuffs and beverages increased relatively little. U.S. consumer demand for these commodities did increase somewhat; but it expanded more slowly than incomes, reflecting for many foodstuffs unchanging, or even at times declining, levels of per capita consumption.

Such have been the trends in export volumes. Prices have been high, but the high prices that Latin American exporters have received for their products have been a mixed blessing. In some cases, temporarily excessive prices have had unfavorable repercussions on U.S. consumption and this will probably continue to be felt in the Sixties. For example, the high prices of coffee in the mid-50s induced a greater economy in consumer use and the number of cups yielded per pound of coffee appears to have increased permanently. In the case of copper, high prices in the middle 1950s certainly accelerated the shift to aluminum and, in some cases, to steel.

The Outlook for the Sixties

There is a marked contrast between the expected behavior of Latin American exports to the United States in the early 1960s and in the later part of the decade.¹

While in the late 1960s exports to the United States may increase as much as 4 percent a year, in the early part of the decade they are not expected to increase much more than 1 percent a year—a disappointing performance. These early years are expected to be largely a period of readjustment to setbacks in two important areas: the unfavorable price outlook for coffee and the recent U.S. restrictions on the import of various minerals.

Compared with 1957—chosen as the latest full-employment year—U.S. imports of the principal minerals from Latin America are expected to increase at an aggregate rate of no more than 2.5 percent a year in the early 1960s. This slow rate of growth will result from the conflicting impacts of a steady increase in U.S. demand and of recent quota restrictions which rolled back imports of several minerals below the 1957-58 levels. Unless the existing restrictions are removed, exports of petroleum, lead, and zinc to the United States in 1965 will be barely higher than in 1957.

¹ For detailed projections of U.S. imports from Latin America in the 1960s, see: *The Future of Latin American Exports to the United States: 1965 and 1970* by Louis O. Delwart, National Planning Association, Washington, 1960.

Projected U.S. Imports from Latin America

(Millions of 1957 dollars)

	1957	1965	1970
Principal minerals ^a	1,498	1,790	2,370
Principal foodstuffs ^b	1,809	1,735	1,950
All others	694	900	1,100
	4,001	4,425	5,420
Percentage increase from previous period . .	10.6%	22 %	%
Annual growth rate from previous period . .	1.3%	4.2%	%

^a—Copper, iron ore, lead, crude petroleum, residual fuel oil, zinc.

^b—Bananas, cocoa, coffee, and sugar.

In the case of iron ore and copper, a rapid rate of growth of U.S. demand will manifest itself in much greater imports by 1965, with possibly a 40 percent increase in copper and a 100 percent increase in iron ore. Iron ore exports might grow even more, were it not for the fact that an increasing share of U.S. import needs will probably be satisfied out of Canadian supplies. In the second half of the 1960s, and assuming no additional restrictions, U.S. imports of all major minerals may be expected to grow more rapidly, probably at around 5 percent a year.

The future export behavior of Latin American foodstuffs is dominated by the coffee problem. While U.S. coffee consumption increases steadily, low prices are expected in the early 1960s, resulting perhaps in a decline in annual coffee export receipts to \$200 million below the relatively high 1957 levels. If coffee prices stabilize at their new low levels and synthetic substitutes are not developed quickly, an increase in U.S. consumption of more than 2 percent a year and equivalent increases in export receipts may be expected in the late 1960s. Barring unpredictable year-to-year fluctuations, through the 1960s the rate of Latin American export growth for other principal foodstuffs—bananas, cocoa, and sugar—is generally expected to be steady and at approximately the rate of growth of the U.S. population, that is 1.7 percent a year.

At the present time commodities other than the ten principal raw materials and foodstuffs account for less than 20 percent of total Latin American receipts from exports to the United States. These minor exports are expected to expand somewhat more rapidly than the ten principal ones in the 1960s.

In the aggregate, however, what emerges is a picture of virtual stagnation in the early part of the 1960s. This picture could be substantially modified by a change in U.S. and Latin American economic policies as they affect economic development in general and foreign trade in particular. The present projections do not predict what will actually happen, but they do show what is most likely to happen if present policies are continued.

A projected 1 percent average rate of growth for Latin American exports in the early 1960s, and a 4 percent rate of growth in the late 1960s, cover a great diversity in the expectations of individual countries. For some countries the outlook is particularly poor, especially in the early 1960s. Unless they attract a large volume of foreign investments or their agreements for regional free trade areas

include a partial or complete pooling of foreign-exchange reserves with more affluent countries—which seems extremely unlikely—export stagnation will mean severe balance-of-payments difficulties for them.

On the other hand, the countries whose expected rate of export growth is good will be mainly those that in recent years have had little trouble with their balance of payments; they usually have a stronger reserve position and their very solvency gives them greater access to international lending.

Peru has probably the best prospects. Peru's copper exports in particular are due to increase dramatically as a result of large investments made recently by the Southern Peru Copper Company. Venezuela remains in a strong position, not so much because of expected increases in U.S. imports of petroleum but because of a dynamic expansion of iron ore exports which may yield more than \$200 million in 1970. Chilean exports should also increase satisfactorily, largely as a result of important recent investments in copper and iron ore and the development of a new wood-and-pulp industry. In contrast, the prospects for Argentine and Uruguayan exports of wool and meat are generally considered unfavorable, unless U.S. restrictions can be lifted or at least reduced.

The export outlook for most other countries lies somewhere between the extremes. The greatest uncertainty naturally prevails for the coffee-exporting countries; their export outlook cannot be projected with any degree of reliability, since so much depends on the fate of the Coffee Agreement, future progress in restricting output, and the possibilities of synthetic replacements. By and large, the prospects appear to be bleak. In Bolivia, Paraguay, and Guatemala, whose present expectations appear to be about average for Latin America, the discovery of oil or other valuable minerals could justify a strong upward revision of export prospects.

The situation, as now discernible, underscores dramatically the need for renewed efforts to expand and especially diversify commodity exports. Latin America's import needs are fast expanding, and they can no longer count on rises in their export prices comparable to those they had after the war and up to the early 1950s. In addition, a number of countries no longer have any significant foreign exchange reserves, and several of them have already accumulated a sizable foreign debt.

U.S. Economic Policy and the Future of Latin American Exports

The grim export picture outlined above could be substantially modified should there be a change in U.S. and Latin American policies as they affect Western Hemisphere trade. U.S. policy will alone be examined in these pages.

U.S. economic policy toward Latin America has undergone substantial changes since the Caracas incidents and the deterioration of U.S.-Cuban relations. Nonetheless, U.S. attitude remains marked by great ambivalence. On the one hand, liberal trends are noticeable, such as participation in the new Inter-American Development Bank and an

increase in the lending powers of the Export-Import Bank, a sharp increase in DLF lending to Latin America, and the authorization of \$500 million in aid for social welfare projects.

On the other hand, recent U.S. import policies have been increasingly restrictive. Partly due to the impact of the 1958 recession, new bars have been imposed on petroleum, lead, zinc, meat, and copper. More recently, new restrictive bills have been introduced in Congress, none of which, however, has been passed.

Besides slowing down the development of Latin American exports to the United States, this ambivalence in U.S. policy creates in the Latin American countries a resentment which often cancels out the good will generated by U.S. assistance. There is a feeling, expressed at times by Latin Americans, that the United States is lending back to their countries the equivalent of export receipts that they believe are "rightfully" theirs, since they would have gotten them in trade but for U.S. trade restrictions.

In no small measure, recent developments in the United States—among them the 1958 and 1960 recessions, diminishing government purchases for the strategic stockpile, sales from previously accumulated stockpiles, and new import restrictions—have contributed to the present payments difficulties of many Latin American countries. Looking to the 1960s, therefore, the prospect would be rendered worse by a flow of additional import restrictions, whether in the form of quotas or tariffs. New restrictions would be particularly unfortunate in the case of minerals where the tendency has been for the U.S. domestic production to remain stable and for the secular increase in U.S. consumption to be met through increased imports.

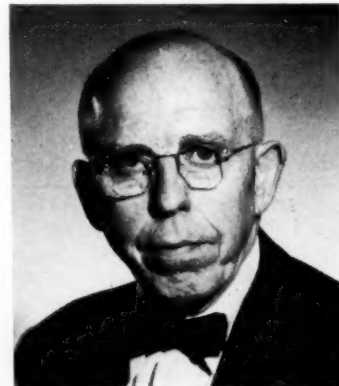
In the past, Latin America's concern with U.S. import policy has been focused on lead, zinc, petroleum, and copper, but it appears probable that many other products, now of relatively slight importance, would increase their contributions to the total of Latin American exports if U.S. restrictions could be reduced. Larger U.S. imports would be almost instantaneously reflected in greater Latin American imports of the goods necessary for development, and most of these additional imports would originate in the United States.

A practical program of gradual reduction of import duties on Latin American-type commodities would be very effective in stimulating two-way trade and Latin American development; it would, however, require a willingness on the part of the U.S. government to prepare and carry through a long-range policy for dealing with the import problem.

While a complete dismantling of U.S. restrictions on imports from Latin America is not a realistic possibility at this time, it may be useful to speculate on the impact such a measure would have on Latin American exports to this country, if only to get an idea of the magnitudes involved. There are indications that a nondiscriminatory suspension of U.S. restrictions on Latin American-type goods would result in short order in an increase in Latin American exports of at least \$850 million a year and possibly \$1.7 billion or more.

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—The People of NPA—



Eugene
W.
Burgess

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Eugene W. Burgess, NPA Business Committee member and Research Director for the NPA studies of U.S. Business Performance Abroad, has been associated with the University of California at Berkeley since 1955. He is Assistant Dean, Professorial Lecturer, and Director, Executive Education Programs in the Graduate School of Business Administration.

After taking his B.S. and M.S. degrees at Lehigh University, Mr. Burgess continued on for his Ph.D. at the University of Lyon, France, where he graduated with honors in 1927 (*Prix Moncorger*). Prior to his present teaching post, Mr. Burgess taught at Lehigh, University of Illinois, George Washington University, and M.I.T.

In 1933—after several years with the U.S. Steel Corporation and with Field, Gloré & Co. (international investment bankers)—he entered the Federal government service, first with the Agricultural Adjustment Administration, then in the National Recovery Administration, the Export-Import Banks, the Federal Communications Commission, the Securities and Exchange Commission, and as Assistant to the Secretary of Commerce. In 1939, he returned to the U.S. Steel Corporation as Assistant Finance Manager of their Export Company. In 1941, he joined General Mills, Inc., in charge of their Washington office. In 1943, he moved to the headquarters office in Minneapolis to organize and become the first director, and corporate vice president, of industrial relations. In 1951, Mr. Burgess resigned to engage in management consulting, mostly in the international field. He served as consultant to the Head of the MSA Mission to France and, since 1953, has been associated with the four university Ford Foundation research project on management in the international world.

Mr. Burgess has published a book (in French) and several articles for professional journals, including the chapter on French Management that recently appeared in *Management and the Industrial World*. Mr. Burgess is the co-author of NPA study *Casa Grace in Peru*, and has completed the field work and rough manuscript of another study whose setting is in British West Africa.

The Two Levels of Disarmament*

by Jerome H. Spingarn

Secretary, NPA Committee on Security through Arms Control

NPA's Committee on Security through Arms Control was not alone in its criticism of the disorganized manner in which disarmament policy was formulated in the past but the criticism was in itself a reflection of the fact that arms control was a developing field with rising standards.

A new "United States Disarmament Administration" is now functioning in the State Department, John McCloy is serving as the President's disarmament advisor, and in the Pentagon an elaborate pattern of offices deals with disarmament for each of these segments of the Defense establishment. In addition, outside contractors are supplying advice and research to government departments.

Concomitant with this growth of governmental competence has been a parallel growth of concern with the disarmament problem in private centers and graduate schools of international affairs. Scholarly publications are discussing arms control in every issue, specialists in military strategy are recognizing its importance, and business firms are carefully investigating the possibility of research and production opportunities in the instrumentation which would be required for disarmament inspection. The patois of strategy and disarmament is becoming a campus vogue. One reporter said that talk of "second-strike capability," "pre-attack mobilization base," and "nervous weapons" can be overheard even among the bearded patrons of beatnik coffee houses.

What does all this activity mean? Is the rose of arms control about to be plucked from the thistle of H-bombs?

It would be rash to predict this, but it is clear that defense, peace-keeping, and the leasing of armaments are receiving more serious and more sustained attention here in the United States than they have ever received anywhere before. And since the effort is so conspicuously diligent, it necessarily faces a challenge: what will all this work accomplish that has not been accomplished before?

Jules Moch wrote the famous Anglo-French disarmament proposal (which Nobel Prizewinner Philip Noel-Baker characterizes as the great "moment of hope" in the search for peace and disarmament) in a London hotel in one evening in 1954. It was still a collection of jottings on hotel stationery when it was passed around a breakfast table and received French cabinet approval. The number of man-hours expended upon it at the working level of the foreign ministry added up to zero.

The preparation of the next American proposal on the narrower nuclear test issue will probably represent 1,000 man-hours of staff work since Inauguration Day, duly evidenced by many tons of paper. Is it likely to be better? Will anyone win a Nobel prize just for writing its eulogy?

The answer to that depends on what one means by a better proposal. The Quai d'Orsay has been content to

give Jules Moch wide powers because "he makes beautiful music." The Kremlin apparently feels the same way about Nikita Khrushchev. And music—the appeal to the minds of men—has always been a very important aspect of arms control proposals.

The chances are that a highly organized, well-staffed program will not make good music, which is almost always a matter of individual, rather than staff, effort. The products of the new and highly organized effort may seem uninspired and overintellectualized. But they will be more carefully designed to serve the common needs of competing nations.

What we can expect from new American proposals are ideas that the world's governments can live with at present. They will not leap-frog over a period of transition. But we also have a right to hope that they will look toward an era when more harmonious relations will make it possible to stop the arms race, and provide for effective methods of peaceful settlement of disputes.

The disturbing factor in the present picture is the fact that there is no evidence whatever of parallel activity in the Soviet Union. The Russians who deal intimately and knowledgeably with advanced technology in explosives and missiles, confine their remarks in disarmament to a level of sophistication which might be expected from a country parson addressing the village peace society. They refuse, even in off-the-record conversation, to talk in realistic terms about existing weapons systems, about the specifics of warning and detection systems, and about initial measures to frustrate surprise attack. They feign horror when it is proposed candidly to discuss evasion techniques. They act as if no such thoughts could enter their minds, in spite of the historical lessons of several disarmament treaties which spawned elaborate evasions. The Americans, on the other hand, discuss gory details quite openly. Just as medical students, who are devoted to a life of healing, traditionally indulge in a gay and macabre humor, so arms control strategists use military jargon in a clinical manner which often disguises their genuine zeal for peace. The American intellectual despises unctuous self-righteousness.

The public, unfortunately, does not always see this as candor *vs.* deviousness. Too often it just sees nice Russians speaking about brotherly love and sunlight, while Americans talk about sneak attacks, thermonuclear destruction, military strategy, and clandestine tests in dark caves.

The result is that thousands of well-meaning people demonstrate for unilateral disarmament in England and many Americans, in churches, in universities, and elsewhere, while mistrustful of the Soviets, believe that the Soviet complete disarmament proposal is sound and honest. They demand policies that reflect Western hopes for the perfectability of man. And they denounce as bloodthirsty ogres those who try to make an objective analysis of thermonuclear strategy.

*Excerpts from a speech delivered at Oberlin College, Feb. 28, 61.

When the Kremlin can get so much mileage on a vague and superficial proposal for complete and general disarmament, it feels little pressure to come to grips with Western first-step proposals for inspection or for surprise attack prevention. Why should they bother? Holy Loch, Aldermaston, and Trafalgar Square show they are already ahead of the game so far as public opinion is concerned.

There is a lesson in this for the American peace movement, and there is also one in it for the American government. The peace movement must remain aware of the fact that the Russians are an indispensable party to arms control, and that it is just as important to place pressure on the Kremlin as on Western governments—more important, in fact, because there are no local peace movements to do the job in Russia. And world-wide acceptance, at face value, of sweeping generalities merely proves to the Kremlin that they don't have to bother to get serious.

For the new administration there is also a lesson in the need to season highly technical and intellectualized proposals with an appeal to deeper aspirations. Unfortunately, many will advocate a contrary course. They will urge that the United States confine itself to very limited achievable first steps looking to stability of deterrents and prevention of surprise attack. They argue that it is a cruel lie to hold forth utopian solutions, and that reliance on a great international act of faith is as useless as New Year's resolutions are in the cure of dope addiction. Indeed, some even go so far as to suggest that the word "disarmament"—a generic word which has been used for generations to connote all forms of arms control—be abandoned because it sounds too much like *complete* disarmament. Such arguments would result in overintellectualized proposals which would defeat their own purpose.

It is safe to predict, however, that pressures at home and in the United Nations will lead to the development of proposals which will strike a responsive chord in the heart of war-weary men and women all over the world, in language which they can understand. In other words, the United States will have to continue to discuss long-range goals, as well as immediate ones. In so doing, however, it must carefully define the conditions under which these long-range aspirations may be achieved.

But success will come only if the Soviets, on their part, display a willingness to discuss short-range as well as long-range goals, and to come to terms on the problem of preventing a nuclear flare-up during the next five years.

In persuading the Soviets to do this, the peace movements and other forces which shape public opinion in Western and neutral countries can play a decisive role. They must make it clear that they understand the intricacies of today's weaponry, that they are not naive, that they expect hard-headed, intellectually honest negotiations. Until they do so, the Soviet Union will feel no pressure to talk sense.

We will know that we have turned the corner when the Soviets begin to talk more candidly about the modern weapons that must be controlled, and when disarmament talks are moved out of conferences and public spectacles, and discussed quietly in places where there is no temptation to grandstanding.

Management International

This month witnesses the birth of a new and ambitious publication devoted to the science and practice of international management. *Management International*, a bi-monthly international review for management and managerial sciences, published by Betriebswirtschaftlicher Verlag Dr. Th. Gabler, Wiesbaden, Germany, appears under the combined auspices of four international organizations for management and business administration: the International University Contact for Management Education (IUC), the European Association of Management Training Centre (EAMTC), the Institute of Management Science (TIMS), and the Comité International de l'Organisation Scientifique (CIOS).

Management International is designed to serve as a link and a medium of exchange between practicing managers and academic researchers. Devoted mainly to the nature and solution of management problems of large scale institutions, both public and private, the review will promote on an international scale the comparative study of the fields of management practice and the managerial sciences. In fostering the methodologies most suited to identifying and solving management problems, the editors hope to facilitate close collaboration between the scientists and the managers of all countries, "based upon sound bargaining between theory and practice."

Published in four languages—German, English, French, and Italian—*Management International* will devote some 20 pages in each issue to an international bibliography in related fields. Each article is published in the author's own language and in English; a substantial summary is offered in a third language.

Business Congress in Copenhagen

PRIVATE ENTERPRISE in Economic Development will be the theme of the eighteenth biennial congress of the International Chamber of Commerce to be held in Copenhagen, Denmark, May 22-27, 1961.

1,500 delegates from 50 countries are expected to attend the meeting, which will be the largest of its kind ever held. The U.S. delegation, including 150 prominent American business leaders, will be led by Ralph T. Reed, chairman of the U.S. Council of the International Chamber.

The world business leaders will seek agreement on a set of conclusions to be put forward as a world business platform on economic development. They will focus their attention on the necessity of applying the dynamic power of private enterprise to the acceleration of economic growth in the underdeveloped areas of the world. The congress delegates will consider the nature of economic development with reference to population growth and the respective roles of private and governmental action at different stages of growth. They will also deal with resolutions on international subjects such as tariffs, taxes, protection of investments, and technical problems of world trade.

Social Change and Economic Development in Africa

TWO BOOKS apparently of interest only to social anthropologists and social psychologists, nevertheless shed considerable light on the complex processes of social and psychological change which are intimately linked with economic development in Africa.

Search for Security by M. J. Field is a detailed empirical study of psychiatric disturbances among the rural inhabitants of Ashanti, the source of Ghana's major product, cocoa. Recording over 2,500 cases during her long residence in Ashanti, Dr. Field dispels the popular notion that mental illness is a product of overly-complex advanced societies and is unknown in the traditional organic societies of underdeveloped countries.

Dr. Field's case material is largely derived from examinations of the suppliants at the village shrines of a recently-developed and widely-popular cult for coping with spirit possession. Throughout rural Ashanti, physical and mental illnesses, as well as economic misfortunes and interpersonal difficulties, are generally attributed to possession by evil spirits in consequence of failure to fulfill oaths or religious obligations, the machinations of ill-intentioned relatives and acquaintances, and the like. Suppliants bring their troubles to the shrines, where the priest performs certain ceremonies and exorcisms and prescribes penances whose performance brings relief. Part of the ceremony at the shrine consists of public confession of the trouble motivating the suppliant's visit and, under the priest's often psychologically shrewd questioning, of the victim's own role in his misfortunes. Observation at the shrines directed Dr. Field's attention to these suppliants with apparent symptoms of mental illnesses whom she later examined more thoroughly.

While the psychiatric material derived from Dr. Field's work will be of interest only to specialists in that subject, both the reports of the clinical cases and the public confessions of the "healthy" suppliants contain fascinating details of the impact of social and economic change on the Ashanti peasantry. In addition, the introductory 50 pages of Dr. Field's book constitute one of the most perceptive sketches of the economic, social and ideological characteristics of present-day Ashanti society available anywhere in print. As an example of the explicit economic content of many of these cases, the most common single complaint of the suppliants is "I am not prospering," and their recitals reveal the actual patterns and difficulties of current economic activities ranging from traditional hunting to modern truck driving, carpentry and even civil service.

Becoming More Civilized by Leonard W. Doob, professor of psychology at Yale University, is a study of the changes in attitudes and behavior on the part of people who are in the process of transition from traditional societies to those which are economically more advanced and socially more dynamic and complex. Based on two years of field work in East and South Africa, and on extensive research into related studies by other investigators, Dr.

Doob identifies many of the characteristics of traditional societies which hasten or retard the process of acculturation—the term used by anthropologists for the acquisition by one culture of important traits obtained from or imposed by another culture or cultures.

Dr. Doob's conclusions are advanced in the form of hypotheses which he derives from the analysis of interviews, Rorschach tests, and other psychological techniques for determining attitudes, motivations, beliefs, personality changes, etc. While Dr. Doob's interest is primarily anthropological and sociological, his generalizations are also suggestive for those concerned more specifically with economic development. Africans who migrate from the countryside to the towns or who abandon subsistence economic activities temporarily or permanently for commercial agriculture or wage labor, are *ipso facto* "transitionals" in Dr. Doob's sense of the term. His insights into their difficulties, problems, and potentials have implications for those concerned, for example, with such problems of economic growth as low labor productivity, excessive absenteeism and turnover, persistence of noneconomic satisfactions, etc.

—Theodore Geiger

(*Search for Security*, An Ethno-Psychiatric Study of Rural Ghana by M. J. Field, Northwestern University Press, Evanston, Illinois, 1960, 478 pp., \$6.50.

Becoming More Civilized, A Psychological Exploration by Leonard W. Doob, Yale University Press, New Haven, 1960, xii and 333 pp., \$6.00.)

For All NPA Members

NPA Organizational, Sustaining, and Contributing memberships, Individual memberships of \$25 and more a year, Subscribing memberships at \$10, Library memberships at \$7.50, and National Council members receive in addition to *Looking Ahead* most of the reports and studies published by the National Planning Association.

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Occasionally, special project reports are published which, because of their size or the limited funds available for printing, cannot be sent to members free of charge. However, such reports will be noted in *Looking Ahead* and will be available to NPA members on a special discount basis as follows:

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Library and Subscribing memberships ..	30% discount
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This is not to say that a more liberal U.S. import policy would be a cure-all for the payments problems of all Latin American countries. Honduras, for instance, exports mainly coffee and bananas; it cannot be much affected by a lowering of U.S. trade barriers. In contrast, there are countries whose exports to the United States would expand substantially under the influence of U.S. trade-liberalization measures. Argentina, for example, could probably be an important beneficiary of a more liberal U.S. trade policy on meat products, apparel wool, and linseed oil.

A Final Word on the Coffee Problem

It should be anticipated that the United States may possibly have to take some action to meet a technological catastrophe in the coffee industry. Admittedly this is not an immediate danger. However, if a synthetic coffee should be developed on a large scale in the United States later in the 1960s—and there are serious indications that this might happen—the danger of economic and political collapse in many Latin American coffee exporting countries could not be ignored by the U.S. government. The cost of bailing out the affected countries and aiding them to transfer their resources to other lines of production would be high but, in view of the political dangers, it might be inescapable. The process of salvage might perhaps be eased by imposing a sufficient excise tax on synthetic coffee to save the U.S. market—at least for a period long enough to allow an orderly adjustment. Assuming the eventual success of the present technical developments in synthetic coffee, this problem may well come some day to outweigh all other aspects of U.S. policy toward Latin America.

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